



CITY OF INGLEWOOD

OFFICE OF THE CITY MANAGER



DATE: February 26, 2015

TO: Oversight Board to the City of Inglewood as Successor Agency

FROM: Economic and Community Development Department

SUBJECT: Adoption of Resolutions Approving ROPS 15-16A for the Period Between July 1, 2015 and December 31, 2015 and Approving the Successor Agency's Administrative Budget

RECOMMENDATION:

It is recommended that the Oversight Board of the City of Inglewood as the Successor Agency to the former Inglewood Redevelopment Agency (Oversight Board) take the following actions:

1. Adopt a Resolution approving the July 1, 2015 through December 31, 2015 Recognized Obligation Payment Schedule (ROPS 15-16A) for submittal to the Department of Finance (DOF); and
2. Adopt a Resolution approving the Administrative Budget for the ROPS 15-16A period. (Redevelopment Property Tax Trust Fund (RPTTF))

BACKGROUND:

As of February 1, 2012, all California Redevelopment Agencies were officially dissolved when the State of California enacted Assembly Bill 26 (AB 26). The City of Inglewood as Successor Agency to the former Inglewood Redevelopment Agency (Successor Agency) is now tasked with winding down the affairs of the former Inglewood Redevelopment Agency (Former Agency), including: (1) implementing the administrative activities of the Successor Agency as required by AB 26; (2) managing the construction and development of a new Inglewood Senior Center, the Century Boulevard Reconstruction projects; (3) maintaining various Successor Agency-owned properties, while implementing the Long-Range Property Management Plan with regard to the sale and disposition of these various Successor Agency-owned real properties; and (4) liquidating all of the Successor Agency's non-real property assets such as cash, bonds, notes, etc., including those proceeds generated from the sale of the Successor Agency real properties and assets, all of which, will be paid to the Los Angeles County Auditor-Controller for allocation and distribution to the City of Inglewood (City) and various other Los Angeles County taxing entities as required by AB 26.

The format of the Recognized Obligation Payment Schedule (ROPS) is prescribed by forms provided by the California State Department of Finance (DOF). These forms are used by the Los Angeles County Auditor Controller to determine the amount of property taxes that will be allocated and paid to the Successor Agency as Redevelopment Property Tax Trust Funds (RPTTF). Following approval by the Successor Agency, the ROPS will be forwarded to the Oversight Board for consideration and approval (if such be the case) by resolution as required by AB 1484. The ROPS and the Resolutions evidencing Oversight Board action are submitted electronically to the DOF.

DISCUSSION:

ROPS 15-16A lists expenditures projected for the period of July 1, 2015, to December 31, 2015. The funding sources include RPTTF, parking revenue, and tax exempt bonds. The funding source to pay staff to conduct the necessary wind down activities of the Successor Agency will come from the three percent (3%) administrative allowance that has averaged approximately \$317,000 for each of the previous ROPS periods. Activities to be undertaken by staff for the next ROPS period include the management and coordination of the Inglewood Senior Center for the design portion of the design-build contract, coordination of public outreach and discussions related to the Inglewood Senior Center Committee, assistance with right of way acquisitions necessary for the Century Boulevard Reconstruction projects and implementation of the Long Range Property Management Plan.

All unencumbered funds identified in the Housing and the Non-Housing Due Diligence Reports were paid to the Los Angeles County Auditor-Controller on December 18, 2014. A Finding of Completion was issued to the Successor Agency by the DOF on December 29, 2014. As such, the Successor Agency is now authorized to seek approval for the expenditure of bond proceeds on hold by the Successor Agency. The proposed bond expenditures consist of tax-exempt bonds in the amount of \$20,000,000 allocated for construction and development of the Inglewood Senior Center and \$37,063,442 allocated for the acquisition, construction and development of the Century Boulevard reconstruction projects. Up to this point the City has used Housing and Urban Development (HUD) funds to pay for the design phase of the Inglewood Senior Center Project. In addition, various Federal, SAFETEA-LU and Proposition C (Local Return) funds have been made available to pay for the design phase. These same funds have also been utilized to pay for job costing services for the Century Boulevard Reconstruction projects.

There is also approximately \$17,000,000 of remaining housing bond proceeds that may only be used to construct certain affordable housing.

Duties of the Successor Agency staff also include preparing various legally required administrative reports, such as the ROPS, maintaining financial records, managing bi-annual audits, monitoring contracts, and researching various requirements that emerge as a result of new AB 26 related legislation and new policies and procedures established by the State Legislature and/or the DOF. Implementation by the Successor Agency staff will also be crucial to implementation of the DOF-approved Long-Range Property Management Plan (LRPMP) relative to the sale and disposition of Successor Agency-owned properties and assets.

The indirect costs supported by the administrative budget include a portion of the salaries of the Assistant City Manager, in-house legal support, and certain City of Inglewood staff support.

Also directly funded by the administrative budget is the cost of Successor Agency staff involved in the day-to-day operations of the Successor Agency. This cost includes two fulltime and three part-time positions. Table 1 below summarizes the expenditures by funding source.

Table 1
Summary of ROPS Line Items

	RPTTF FUND	TAX EXEMPT BOND	OTHER – PARKING FUND	TOTAL FUNDS
Property Disposition Activities - Appraisals, environmental issues, legal costs, etc.	\$ 555,000			\$ 555,000
Conduct ongoing ground water remediation at Olive Street and Glasgow Avenue, as required by the order of the Regional Water Quality Control Board	\$ 205,000			\$ 205,000
Century Reconstruction		\$5,501,646		\$ 5,501,646
Payment of bond indebtedness - November payment is interest only	\$ 3,260,820			\$ 3,260,820
Property Maintenance - Maintenance of properties, repairs, utilities, insurance, includes weed and debris staff	\$ 203,250			\$ 203,250
Hollywood Park payment of Public Infrastructure Grant Funds remaining after other expenditures will be used to pay down this obligation	\$ 4,500,000			\$ 4,500,000
Employee project support costs - Century Reconstruction/ Senior Center	\$ 253,718			\$ 253,718
Bond payments reserve to fund May 2016 principal and interest payment.	\$ 3,310,000			\$ 3,310,000
Bank fee for Successor Agency accounts	\$ 22,000			\$ 22,000
Parking Structure 2 - Public safety related capital improvements	\$ 538,662			\$ 538,662
Parking Structure Operations			\$ 131,988	\$ 131,988
Successor Agency Administration	\$ 300,000			\$ 300,000
TOTAL EXPENDITURE REQUEST BY FUND	\$ 13,148,450	\$ 5,501,646	\$ 131,988	\$ 18,782,084

The Oversight Board is being asked to consider and adopt two resolutions. The first resolution approves the ROPS for the period of July 1, 2015, to December 31, 2015 (Attachment 1) and makes certain findings pursuant to Section 34176(g) of the Health & Safety Code. The second resolution approves the administrative budget (Attachment 2). Both resolutions, following Successor Agency adoption, will be submitted to the California State Department of Finance for approval of the ROPS and the Administrative Budget.

The ROPS will not be effective until approved by the Oversight Board, provided to the Los Angeles County Auditor Controller, and submitted and approved by the DOF and the State Controller. The Successor Agency is also required to post the Draft ROPS on its website. The ROPS can be found on the following City of Inglewood website: http://www.cityofinglewood.org/depts/economic_and_community_development/success

[or agency/recognized obligation payment schedules %28rops%29/default.asp](#). The proposed ROPS, along with an approved ROPS determination letter from the DOF constitute the final ROPS. The deadline for submittal of ROPS 15-16A to the DOF is March 3, 2015. Penalties are imposed if the Successor Agency does not meet this deadline.

FINANCIAL/FUNDING ISSUES AND SOURCES:

Approval of the ROPS will ultimately result in an allocation of the RPTTF to the Successor Agency for the period of July 1, 2015 to December 31, 2015. The actual amount of funds to be received will not be known until the Los Angeles County Tax Collector completes its collection of all property taxes for that period. Historically, the ROPS “B” period has generated approximately \$7,000,000, while the ROPS “A” period has generated approximately \$10,000,000. When ROPS expenditures exceed the amount of the RPTTF available, unfunded obligations are carried over to the next ROPS period.

DESCRIPTION OF ANY ATTACHMENTS:

Attachment 1 Resolution Approving ROPS
Attachment 2 Resolution Approving the Administrative Budget

APPROVAL VERIFICATION

Prepared and Presented By Margarita Cruz, Oversight Board Member

Reviewed and Approved by Royce Jones, Legal Counsel to the Successor Agency